

## PRIVATE EQUITY NEWS

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# JP Morgan Chase to offer fund administration

Shanny Basar in New York

JP Morgan Chase has become the first investment bank to enter into the growing field of providing fund administration services to private equity firms.

Robert Caporale, head of the new JP Morgan Private Equity Fund Services business, said: "A flood of money is pouring into private equity, and JP Morgan is well suited to provide complex fund administration processes. We are the first company with investment banking capabilities to enter into this field."

Caporale joined JP Morgan three years ago as head of strategic business development for Treasury and Securities Services.

The bank has been performing the fund administration for all JP Morgan-related private equity entities, which have more than \$11bn (€9.5bn) in capital under management across thousands of investments.

JP Morgan Chase is arranging to spin off JP Morgan Partners, its main private equity investment arm.

The spin-off represents a complete change of strategy. It originally planned to keep JP Morgan Partners and spin out One Equity Partners, the much smaller private equity investment unit it acquired with Bank One last year.

The bank's decision comes as private equity funds have become larger and increasingly complex. Only last month, Blackstone, the US private equity group, held a \$10.3bn first close on its fifth global buy-out fund, making it the largest ever raised.

JP Morgan will provide middle and back-office outsourcing of fund administration services, including fund and partnership accounting and tax support to private equity firms and limited



Caporale: well suited to complex deals

partners.

Caporale said: "We also provide an aggregated portfolio reporting service to limited partners and institutional investors who invest in a large number of funds."

The bank's investment in technology for the business is a combination of vendor software and in-house development. Caporale said: "Private equity companies do not have to worry about business continuity as they use the bank's platform."

JP Morgan already has relationships with private equity firms in investment banking. But the new business also fits it in with the cash management and custody services the bank provides.

## JPMorgan



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